

United States Senate  
Washington, DC 20510-2004

June 21, 2011

The Honorable Richard Durbin  
Chairman  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

The Honorable Jerry Moran  
Ranking Member  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Chairman Durbin and Ranking Member Moran:

Thank you for the opportunity to provide the Subcommittee on Financial Services and General Government with recommendations on how to prioritize programmatic spending for fiscal year 2012.

While Congress works to balance the federal budget, we must recognize, support and fund the federal programs that are filling critical needs and that represent smart long-term investment decisions. Deferring programmatic funding for certain projects can result in short-term savings, but only lead to increased future expenditures and, ultimately, an increase in the national debt. Smart investments at this critical juncture, however, can provide both immediate benefits and improvements to the nation's long-term financial health.

Below I have identified program areas within the jurisdiction of the Subcommittee on Financial Services and General Government that are critical to the efficient functioning of the Federal government and to the financial health of our small business sector. They are:

General Services Administration Construction Budget: Infrastructure projects can provide important construction jobs, reduce the long term operational costs of the federal government's building portfolio, and improve the performance and function of the government agencies that occupy these buildings. Inadequate funding for GSA's Construction Account only defers progress on buildings and major consolidation efforts already underway and ultimately raises the costs of these important projects. I understand that only \$82 million was able to be appropriated in FY11 – and am appreciative of that -- and ask that for FY12 the GSA Construction account be funded at the highest level possible.

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I urge the Subcommittee to give special consideration to funding GSA construction continuation projects. It is essential to the function of the Federal Agencies that will occupy these facilities that construction is completed as close to on-schedule as possible. These projects also provide excellent job opportunities for construction workers. These projects only become more expensive to complete as they are allowed to languish in various states of incompleteness.

Small Business Administration: I generally support the President's budget request for the Small Business Administration (SBA). Small businesses will play a leading role as we strengthen our economic recovery and create more jobs, as the private sector starts to make new investments. In particular, I support the Administration's proposed increase in the Women's Business Center program and the level funding request for the SCORE program.

I oppose the Administration's proposal to phase out funding for the Surety Bond Revolving Fund. The Fund receives fees collected by SBA and is used to pay applicable claims. Current law requires that for all federal and state construction projects exceeding \$100,000, companies must provide a surety bond. To address the difficulties that many small businesses experience in securing bonds in the private market, Congress established the Surety Bond Guarantee Program more than 30 years ago. Until February 2009, the SBA guaranteed bonds up to \$2 million. My amendment to the Recovery Act in the 111th Congress temporarily increased the SBA limit to \$5 million, and gave the Administrator the authority to guarantee bonds up to \$10 million, to permit small businesses to compete for larger construction contracts worth more than \$2 million. The amendment has been an unqualified success, far exceeding targets set by SBA for both the amount of bonds issued and job creation. The initial target for the program was to issue \$147 million in bonds to support projects over \$2 million. The March 2010 SBA Performance Report indicated that more than \$360 million in bonds were actually issued. The SBA Office of Surety Guarantees reports that there have been few defaults on any bonds issued in the above \$2 million range since the higher limits were implemented.

Thank you for the opportunity to share my priorities and recommend programmatic funding ideas to the Subcommittee. Please feel free to have your staff contact Josh Klein (202-224-4524 or [josh\\_klein@cardin.senate.gov](mailto:josh_klein@cardin.senate.gov)) on my staff with any questions.

Sincerely,

  
Benjamin L. Cardin  
United States Senator